Reserves of petroleum products

1583. SHRI T.T.V. DHINAKARAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any decision has been taken to set up reserves of petroleum products;

(b) if so, the action taken in this regard; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) In order to enhance the energy security of the country and to safeguard against short term supply disruptions, Government have approved setting up of 5 Million Metric Tonnes (MMT) strategic storage of crude oil at three locations, *viz.*, Vizag (1.0 MMT), Mangalore (1.5 MMT) and Padur, Udipi (2.5 MMT). The release of crude oil will be in the event of any natural calamity or disruption in supplies or any unforeseen global even leading to scarcity of supplies/ abnormal increase in prices. This project is likely to be completed by the end of 11th five year plan. The Government is planning to further enhance its strategic reserve capacity to 15 MMT in the next phase which will meet our corresponding requirements.

ONGC's entry in petro-chemical business

1584. SHRI DATTA MEGHE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that sale of petrol and diesel being a loosing proposition, ONGC has been allowed to enter the field of petro-chemical business;

(b) if so, the places where manufacturing units of petro-chemicals with be set up; and

(c) the details of the said units?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Oil and Natural Gas Corporation Ltd. (ONGC) is a navratana company and its Board of Directors

is empowered to take investment decisions on setting up of specific value chain integration projects within the core area of competence of the company. ONGC periodically identifies, as per their strategic business plan, such projects which are considered to achieve growth with stability through enhanced synergies amongst its operational units. ONGC has conceptualized entry into the Petrochemicals business in order to have synergistic forward integration in the hydrocarbon value chain.

(b) ONGC would be setting up manufacturing units of Petrochemicals at Dahej, Gujarat and Mangalore, Karnataka.

(c) **Dahej petrochemical project (within Dahej Special Economic Zone (SEZ), Gujarat):** The project involves setting up of a global scale, 1.1 million metric tones per annum (MMTPA) Ethylene cracker and downstream basic polymer units to produce Poly-ethylene, Poly-propylene and Elastomers. The estimated investment in the projects is approximately Rs. 13.600 crores and commissioning is planned by 2010.

Mangalore Petrochemical Project (within Mangalore SEZ, Karnataka): The project beign essentially an aromatic complex within Managalore, SEZ has been planned to produce 920 KTPA of high value para-xylene for value addition to aromatic rich naptha and other immediate streams of Mangalore Refinery & Petrochemcials Limited (MRPL). The estimated project cost is Rs. 4852 crores and commissioning is planned by 2010.

Assistance sought by ONGC from MNCs

1585. SHRI P.R. RAJAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC is seeking assistance from multi-national oil companies to develop the Krishna-Godavari Basin which is rich in natural gas; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir. ONGC is in the process of consultation with multi-national oil companies and reputed